

AGRICULTURE AND RAILWAYS.

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A few weeks ago The Sun printed some instructive and interesting facts in relation to the prosperity of the agricultural interests of the United States. These data were gathered by a syndicate of agricultural weekly newspapers, and probably give a fairly accurate idea of what three years of good crops have done for the American farmer. Last week the advance report of the Statistical Department of the Interstate Commerce Commission for 1897 was given out at Washington, and the figures for this industry, second only in importance to that of agriculture, show such a contrast to those relating to agriculture that a comparison may perhaps be profitably drawn. The published facts relating to agriculture point out that, including the present year, the outlook for our agriculturists is extremely hopeful. Last week, when in Washington, I called upon the Secretary of Agriculture, James Wilson, to talk with him on matters relating to our trade with Cuba. In the course of the conversation the Secretary told me the farmers of the United States, and especially of the great Northwest, had not been as prosperous in years as at the present time. Good crops and good prices had united to help them, and the increased demand for cattle and foodstuffs to make good the losses of war would, in his opinion, still further stimulate the great interest which lies at the basis of our national prosperity. All this is indeed encouraging and gratifying to contemplate. If it is true, as stated by the authority above quoted, that one thousand millions of dollars will hardly measure the increase in the American farmers' receipts for last year's produce over the values that prevailed as late as 1895, those engaged in agriculture ought indeed to be thankful for their good fortune. Of late years, and until the tide turned in the autumn of 1896, we have heard many complaints from and on behalf of the American farmer, though, as a rule, the loudest and most unreasonable came from those who toiled with the mouth, and not with the hands. Yet, in spite of low prices, there was little real cause for complaint. In 1890 it was shown by official statistics that half the farms of the United States cultivated by the owners were free of debt. How had the billions herein represented been paid and the value of the property created? By the sweat of the brow and the toil of brawny arms? Not altogether, because in other lands the agriculturists and peasants toil just as hard as farmers do here, but with rewards far less. Out of the richness, therefore, of the soil of our vast domain, aided by the labor and industry and thrift of the American farmer have come these comfortable homes, free of debt, and forever the pro-

perty of the pioneers and their posterity that pushed westward in the early days.

It has not been, we must ever remember, inherited wealth, accumulating for centuries, as we find to be the case in foreign countries. It has been wealth largely created out of our prolific land, by the sweat and toil of men who are still living and breathing, and many of them—millions of them—are today enjoying the fruits of their labor in farms and homes free from debt. Hand in hand with the industry of agriculture comes the industry of transportation. The value of farm property and products in 1890 was \$15,982,267,689. The value of our railroads was in the neighborhood of \$12,000,000,000—say \$16,000,000,000 in round numbers for agriculture, and we have \$28,000,000,000, or close onto half our national assets.

Unless all official statistics go for naught, and these apparently carefully-prepared figures are valueless, the American farmer enjoys all the foundations of a permanent prosperity that any other industry enjoys. Like all others, the agricultural industry is subject to temporary fluctuation. It is affected by good years and by bad years. It has its run of luck and its period of depression. Upon a basis which, when viewed with sufficient perspective, presents so many signs of development and progress, we have to add the signal prosperity of the last three years.

The tide has turned, and the American farmer is not only on the top wave of prosperity, but if he will only keep a steady head and hold his surplus for any future years of famine and depression, he will soon be on the dry land of permanent prosperity. Let us reflect a moment. We are told that, without counting the present year, the farmer has in two years paid more than one hundred million dollars of mortgages. We furthermore learn that millions on chattel mortgages have been wiped out and the paying up of other forms of indebtedness has become almost a mania in the West. This has been attended with such an increase in bank deposits that throughout much of the trans-Missouri country interest rates on farm loans are down to from five to eight per cent, contrasted with from six to ten per cent or more as late as two years ago. And, lastly, the information comes from Kansas that the bankers of that state are anxious to take the farm mortgages held in the East as fast as the trusts and the money powers will let them go. These gains in the West are largely responsible for the vast increase in national bank resources of more than \$1,000,000,000 since the low point of 1893, and more than \$400,000,000 during the last twelve months. The two wheat crops of 1896 and 1897 have returned farmers nearly twice as much as the crops of 1894 and 1895—a gain of more

than \$400,000,000. Corn shows a decline of some \$150,000,000 but these two staples alone make a net gain of nearly \$250,000,000.

These brilliant signs and omens of prosperity in the agricultural horizon are naturally matters for rejoicing in less-favored industries. Take, for example, the industry of transportation, which in no way has shared this prosperity—yet we find no bitter complaints from the railways because the receipts of the American farmer were a cool billion more in 1897 than in 1895, while the gross earnings of the railways show a further shrinkage of several millions. While the crop tonnage has been unusually large the tonnage of freight in 1897 shows a decrease over the preceding year. The hopeful farmer has cleared up more than one hundred millions of debt, but our railways again in 1897 face nearly \$3,800,000,000 of shares paying no dividends—more than seventy per cent of the capital stock—and a funded debt of \$867,000,000 which paid no interest. These are hard facts for our railroads to face, and they seem particularly severe, because the agricultural industry which the railroads serve the most has enjoyed a period of unsurpassed prosperity.

Three years ago, when the tide turned, those accustomed to study railroad budgets had a right to expect results more promising. We knew that rates were too low for profit, but with hopefulness peculiar to the American business man, our railway managers thought that in the epidemic of prosperity passing over the country some would fall to their share. In this they have been disappointed, for the figures just given out by the statistician of the Interstate Commerce Commission are far more discouraging than those for the years when depression was almost universal in all industries. Why, for example, should the amount of labor employed on railways be less in 1897 than in 1896? Why should the number of passengers carried be millions less? Why should there be a shrinkage in tonnage? Nearly sixty-two per cent of the entire operating expenses of our railways, be it remembered, goes for labor. Thus the lack of prosperity in our railways seriously affects the wage-earner. Those who had hoped to see a decided increase in gross earnings must note instead a decrease over 1896 of nearly \$30,000,000. Those who expected a profit must again note a deficit. There are some increases in these budgets. Taxes, as usual, have increased. States and municipalities, and, since the war, the United States government, tax this great industry with increasing severity, and the total amount paid by the railways for taxes in 1897 exceeds forty-three millions of dollars. The net income available for dividends was only \$81,257,500, so the taxes paid were more

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RAILWAY EARN-  
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